Financial assistance to FPI under Plan Development Schemes

352. SHRI T.S. BAJWA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government are providing financial assistance under the Plan Development Schemes to food processing industries sector in the country;

(b) if so, the details thereof, State-wise; and

(c) the other incentives Government gave for the entrepreneurs for setting up food processing industries in the country during the last three years particularly in Jammu and Kashmir?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) Government has formulated and implemented plan schemes to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, support for R&D, human resource development besides other promotion measure to encourage development of food processing industries. In the case of J & K as also in the case of other difficult areas the ministry's major plan schemes provide for higher levels of assistance as compared to other States/UTs. A statement containing details of assistance sanctioned to FPI units in different States including Jammu & Kashmir during the last three years enclosed Statement (*See* below). Recently in 2004-05 in order to give boost to growth of FPI sector the Government has allowed under Income Tax Act, a deduction of 100 per cent of profit for five years and 25 per cent of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16 per cent on dairy machinery has been fully waived for promotion of dairy processing industries. Excise duty on meat, poultry and fish products has been reduced from 16 per cent to 8 per cent. Excise duty on food grade hexane used in edible oil industry has been reduced from 32 per cent to 16 per cent.

Statement

Details of financial assistance extended to FPI units under the Scheme for Technology Upgradation/Establishment/Modernization of FPI units

(Rs. in lakhs)

State/UT	2002-2003	2003-2004	2004-2005
Andhra Pradesh	124.74	465.57	797.67
Arunachal Pradesh	43.56	—	—
Assam	186.68	257.79	245.76
Bihar	—	—	25.32
Chhattisgarh	—	—	32.61
Delhi	—	—	2.50
Goa	—	17.00	25.00
Gujarat	27.41	165.85	262.15
Haryana	75.00	185.94	183.34
Himachal Pradesh	111.36	99.18	75.51
Jammu & Kashmir	111.22	108.78	74.78
Karnataka	41.48	151.49	425.32
Kerala	104.90	192.53	152.86
Madhya Pradesh	8.20	88.93	45.62
Maharashtra	239.95	529.03	778.67
Manipur	102.20	108.41	—
Meghalaya	19.10	—	12.14
Mizoram	—	110.50	12.30
Nagaland	—	40.75	—
Orissa	15.58	—	63.31
Pondicherry	—	—	24.54
Punjab	176.98	163.00	538.23
Rajasthan	—	86.00	35.83

State/UT	2002-2003	2003-2004	2004-2005
Tamil Nadu	236.54	274.03	310.60
Tripura	63.00	33.07	—
Uttar Pradesh	119.14	263.19	591.76
Uttaranchal	—	5.37	87.88
West Bengal	163.54	132.96	325.74

Processing on potatoes

353. MAULANA OBAIDULLAH KHAN AZMI:
SHRI MOTIUR RAHMAN:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that there is a huge scope of indigenously processing the potatoes, available in the country, into a processed food;

(b) whether it is also a fact that most of the potato-based processed food items in the country are controlled by the multinationals; and

(c) if so, the steps being taken to promote and develop indigenous industry in this field?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) There is an adequate scope to increase the level of processing of potatoes in the country. Government has already exempted fruits & vegetable products from payment of excise duty. Recently in 2004-05, the Government has allowed under Income Tax Act, a deduction of 100 per cent of profit for five years and 25 per cent of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Plan schemes have also been formulated and implemented to provide financial assistance for establishment, support for R&D, human resource development besides other promotional measures to encourage development of food processing industries. Hundred per cent Foreign Direct Investment is permitted in the food processing sector except in the cases of food retailing, plantations and alcoholic beverages. Accordingly, some multinational companies have set up their units for processing of potatoes.